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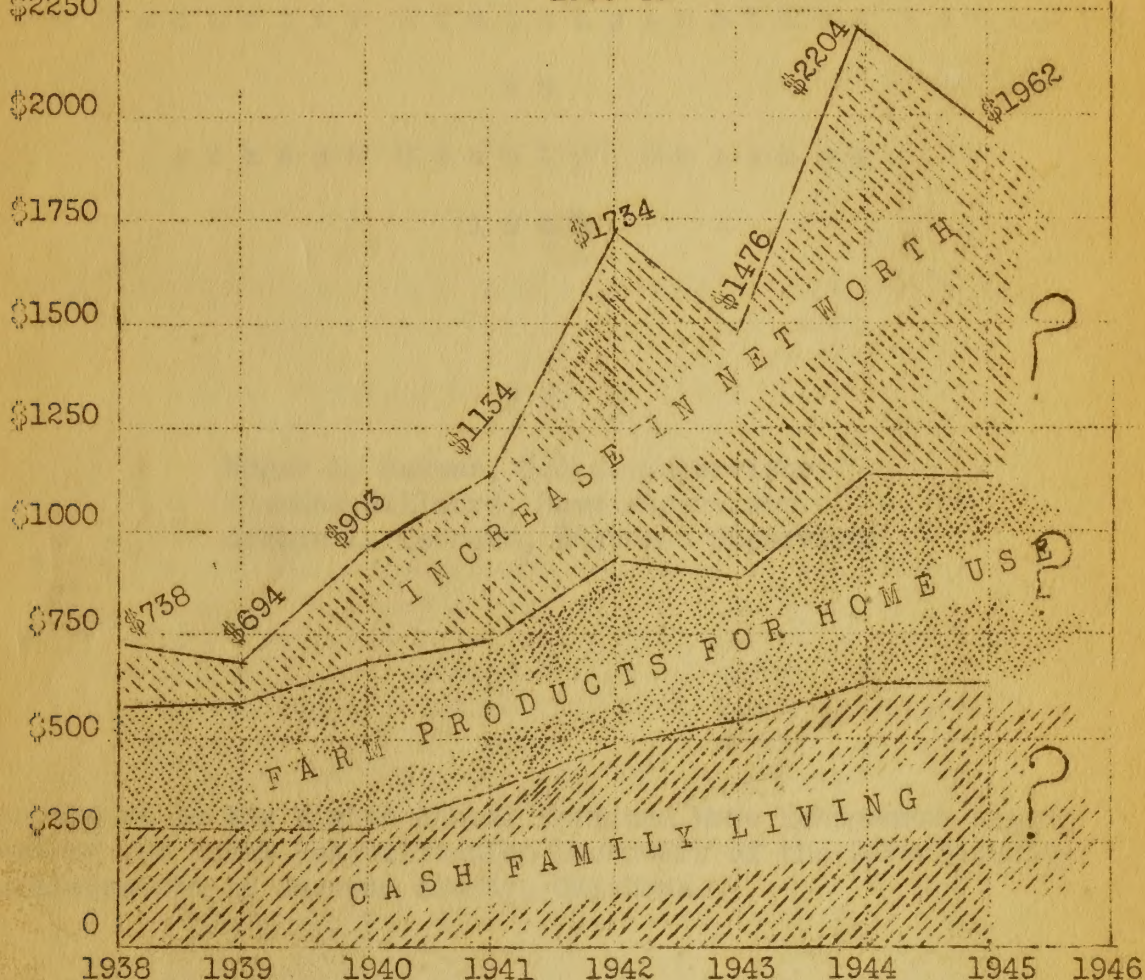
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1945

EIGHTH ANNUAL FARM AND HOME MANAGEMENT REPORT FOR
30 FARM SECURITY ADMINISTRATION BORROWERS IN
JACKSON COUNTY, OKLAHOMA.

Net
Family
Earnings
\$2250

Chart I. - Net Family Earnings Jackson County, Oklahoma
1938-45



Prepared for Mr. & Mrs. _____

An analysis of 30 Farm Family Record Books kept by Rural
Rehabilitation Borrowers of the Farm Security Administra-
tion in Jackson County, Oklahoma in 1945.

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Security Administration
Altus, Oklahoma
March 1946

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EIGHTH
Farm and Home Management Report
for
30 Farm Security Administration Families
in
Jackson County, Oklahoma
1945

By

Edgar A. Havens, F.S.A. Supervisor
Blanche Gillmore, Home Supervisor
Archie L. Leonard, District Supervisor

This Report Is The Eighth Annual Farm and Home Management Report
Prepared for Rural Rehabilitation Borrowers of the Farm Security
Administration in Jackson County, Oklahoma.

UNITED STATES DEPARTMENT OF AGRICULTURE
Farm Security Administration

Altus, Oklahoma County Office
Hobart, Oklahoma District Office
Oklahoma City, Okla. State Office
Dallas, Texas Regional Office

March, 1946

Eighth Annual Farm and Home Management Report for 30 Rural
Rehabilitation Borrowers of the Farm Security Administration
in Jackson County, Oklahoma in 1945.

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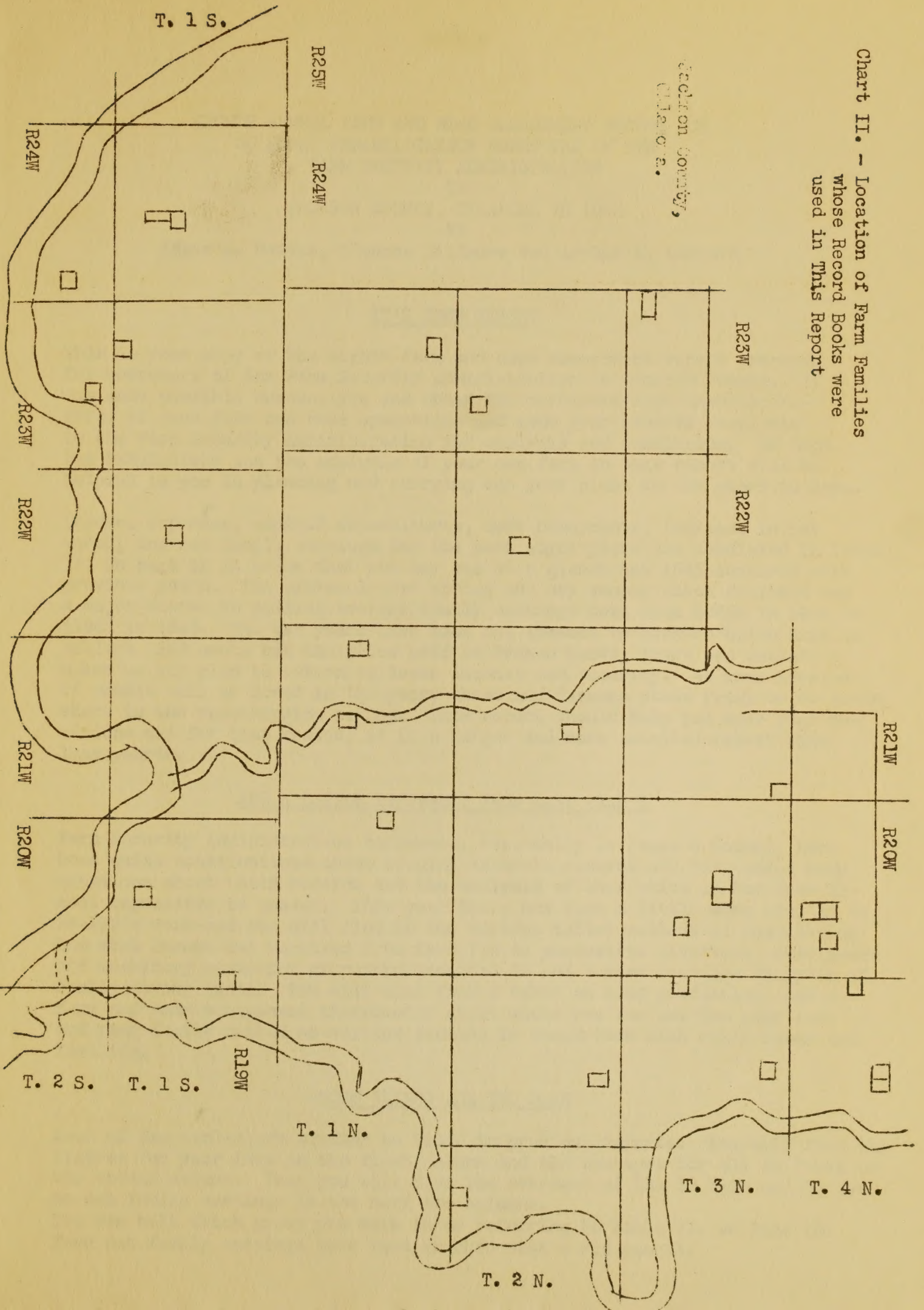
Eighth Annual Farm and Home Management Report for 30 Rural
Rehabilitation Borrowers of the Farm Security Administration
in Jackson County, Oklahoma in 1945.

TABLE I. Names, Addresses and Legal Location of Families whose record books
were used in this Report.

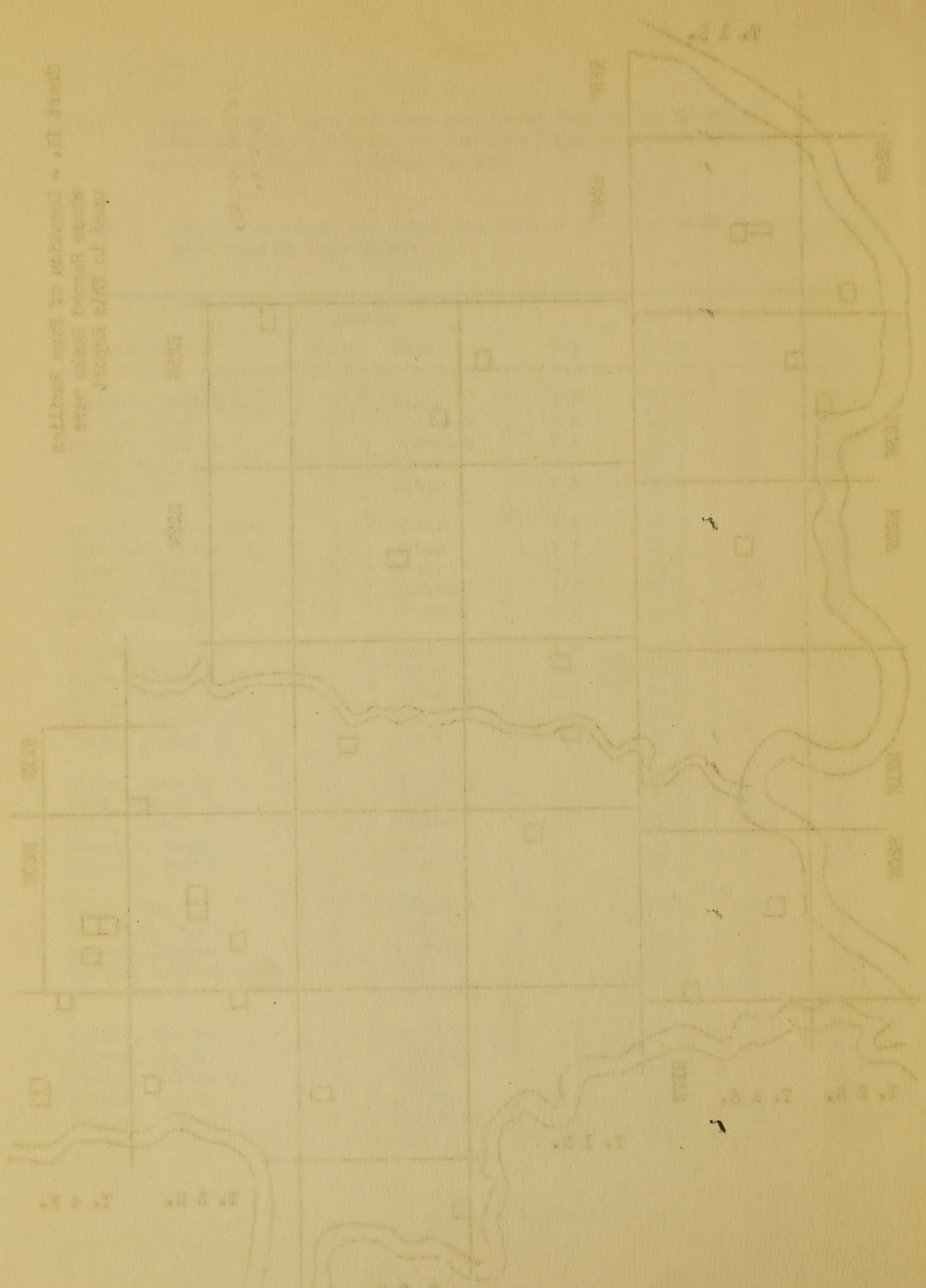
Name of Family	Address		Legal Location			
	Route	Town	Twp	Range	Sec.	Qtr.
Aishman, Austin E.	1	Blair	4 N	20 W	26	SE
Barnes, Leon	1	Headrick	3 N	19 W	3	SW
Booker, Jeff A.	1	Headrick	2 N	18 W	32	SE
Boyd, Henry C.	1	Elmer	1 S	20 W	28	SE
Coffey, Lon F.	1	Blair	3 N	20 W	15	NW
Farmer, Norman Earl	1	Blair	4 N	20 W	34	NE
Garrison, Hubert L.	4	Altus	3 N	21 W	1	NE
Gipson, Edley R.	1	Blair	4 N	19 W	15	SE
Gossett, Alvia L.	1	Eldorado	1 S	24 W	27	W $\frac{1}{2}$
Gray, Garland G.	1	Olustee	1 N	21 W	19	NE
Gregory, Loyd H.	1	Blair	4 N	19 W	19	SW
Hayes, Charlie L.	1	Elmer	1 S	20 W	12	SE
Hill, Robert A.	4	Eldorado	1 S	23 W	32	SE
Hinton, Melvin H.	1	Blair	4 N	19 W	15	SW
Kelly, Walter E.	1	Blair	3 N	20 W	16	NE
Kirby, Amos B.	1	Headrick	2 N	19 W	3	SE
Ladd, Marion B.	1	Blair	4 N	20 W	27	SE
Lane, Haskell P.	3	Altus	3 N	20 W	23	SW
Leonard, Grady	1	Altus	1 N	21 W	22	SW
Leonard, Tom J.	1	Altus	1 N	20 W	18	NE
Luker, Wm. A.	1	Eldorado	2 S	24 W	12	SW
McCallay, Dee N.	1	Duke	3 N	23 W	31	N $\frac{1}{2}$
Martin, Herman C.	1	McQueen	2 N	23 W	35	NW
Martin, Kenneth V.	2	Duke	3 N	22 W	22	SW
Odom, Wm. A.	1	Eldorado	1 S	24 W	22	SW
Taylor, Wm. L.	1	Eldorado	2 S	23 W	3	SW
Tigert, Roy R.	4	Eldorado	1 S	22 W	21	SW
Tinney, Willie F.	4	Altus	2 N	21 W	10	SE
Watson, Wm. O.	3	Altus	3 N	19 W	19	SW
Winters, Roy C.	2	Eldorado	1 N	23 W	4	SW

Chart II. - Location of Farm Families
whose Record Books were
used in This Report

Jackson County,
Ore.



Sheet 11 - Location of River
 and its various points along
 the river



EIGHTH ANNUAL FARM AND HOME MANAGEMENT REPORT FOR
30 RURAL REHABILITATION BORROWERS OF THE
FARM SECURITY ADMINISTRATION

IN

JACKSON COUNTY, OKLAHOMA IN 1945

BY

Edgar A. Havens, Blanche Gillmore and Archie L. Leonard

IT'S YOUR REPORT

This is your copy of the eighth farm and home management report prepared for borrowers of the Farm Security Administration in Jackson County. It was made possible because you and other FSA borrowers kept accurate records of your farm and home operations and made your records available to the Farm Security Administration for analysis and tabulation. We hope the tabulations and the analysis of your own farm in this report will be helpful to you in planning and carrying out your plans in the years to come.

Income, expenses, capital expenditures, debt repayments, increase in net worth, and net family earnings for the past eight years are tabulated in Table III on page 12 in order that you may see at a glance how 1945 compares with previous years. The extremely wet spring and dry summer which followed was a major factor in pulling average family earnings down from \$2204 in 1944 to \$1962 in 1945. The war years have made net incomes to farmers quite high in dollars and cents but the price paid in broken homes, tears and anxiety makes us all glad to return to lower incomes and security. We know margins of profit will be lower in the years ahead and farmers stand ready to do their share in the reconversion period. This report should help you make your decisions and for that reason, it is a larger and more detailed report than last year's.

AND A LITTLE DIFFERENT FROM LAST YEAR'S

Farm Security Administration borrowers, especially in Jackson County, have been quite conscientious about keeping accurate records and have asked many questions about their records and the analysis of them which it has been almost impossible to answer. This year there has been a little more time to do analysis work and you will find in the various tables methods of calculating how much income was received from feed fed to productive livestock, what power and machinery costs per crop acre amounted to and a more detailed analysis of family living costs. You will also find a table on crop production, and a farm and home management thermometer chart where you can see how your farm and your family ranked on various factors in comparison with other farms and families.

SOME THINGS ARE THE SAME

Most of the tables are similar to those in previous reports. You will find the figures for your farm in the first column and the averages for all 30 farms in the second column. Then you will find the averages of the 10 high and 10 low on net family earnings in the next two columns.

You can tell which group you were in by referring to Table II. on page 10. Your net family earnings have been checked with a red pencil.

THE DEPARTMENT OF AGRICULTURE IS INTERESTED

The United States Department of Agriculture through the Farm Security Administration is responsible for the administration of funds appropriated by Congress for the purpose of helping families like yourself. It goes without saying that they are vitally interested in your success. The Department is interested in the kind of livestock you keep, the way you feed your livestock, the kind of crops you grow, and the methods you use in producing crops. If you keep the kind of livestock that pays well for feed and you grow the crops that make the best yields in your community, they know that you will have plenty to eat, plenty of money to buy the things you need to buy, and plenty to pay on your loan. Well organized and efficiently operated farms surely do their share in making the United States a land of plenty.

AND SO IS CONGRESS

Your Congressman and your Senators, in approving the appropriations from which Farm Security Administration gets its loan funds each year, made it possible for FSA to ~~lend~~ you money for the purpose of putting your farming operations on a sound basis. Naturally, they want to know they did the right thing. And the only way they can be sure is to know that you are able to repay your loans and continue on towards the time when you will be completely out of debt. Reports such as this one tell that story. If you carry out your farming operations successfully and assume your full share of the responsibilities of your community, Congress will know the money was well loaned and well repaid, and they will be willing to pass bills which will enable Farm Security Administration to help other families graduate to freedom from debt and finally to home ownership as you are doing.

AND YOUR COUNTY COMMITTEE TOO

Many other farm families are placing their applications with the Farm Security Administration for the purpose of securing loans to adequately finance their farming operations. The county committee who passed on your application must now go through many more applications and select those who will secure loans. They are your friends and neighbors and are responsible for seeing that our FSA program fits the needs of their community. They are also responsible for seeing that only those families who will respect their obligations and try to carry on sound farm and home operations are allowed to borrow from public funds. You can see why they are interested in knowing how you are getting along with your loan. If you fail, they know their judgment failed because they signed their names to a statement saying that you were eligible to receive a loan and that you could be depended upon to succeed. They will be disappointed if something goes wrong on your farm and they will be more hesitant about giving other

families the opportunity you were given. We know you are going to continue giving a good account of the money which was loaned to you and that you will not fail the Department of Agriculture, Congress, and your County Committee.

LET'S LOOK AT THE FACTS FOR 1945

You will find listed in the table below the net family earnings of each of the 30 families whose record books were used in this Report. The earnings for your family have been checked with a red pencil. You can readily see whether you were in the high income group, the medium income group, or the low income group. If your figures were in the medium income group, they were included in the average for all families in the tables which follow. If your figures were in the high or low income group, they have been included in the average for all farms, and also in the average of the high or low group. The figures for your farm or your family have been tabulated with a pen or pencil in the first column so that you may compare your farm and family accomplishments with the averages of the others.

In Farm Security Administration we do not believe it is possible to separate the idea of a farm from that of a family. The farm is a place where the farm family makes their living, their home, and accumulates their savings. Every project that is undertaken on the farm is considered from the standpoint of how it will help the farm family live better or save more. For that reason, we have used net family earnings as the measure of success. It can be calculated very easily by adding together the following three figures:

1. Increase in net worth during the year.
2. Farm products furnished by the farm for family use.
3. Cash family living expenses.

TABLE II. - NET FAMILY EARNINGS ON 30 F.S.A. RURAL REHABILITATION FARMS
IN JACKSON COUNTY, OKLAHOMA IN 1945

High Income		Medium Income		Low Income	
Rank	Net Family Earnings	Rank	Net Family Earnings	Rank	Net Family Earnings
1	\$ 3821	11	\$ 1977	21	\$ 1453
2	3674	12	1972	22	1410
3	3555	13	1795	23	1313
4	3112	14	1745	24	1195
5	3095	15	1733	25	1186
6	2992	16	1613	26	1127
7	2912	17	1571	27	1120
8	2889	18	1550	28	911
9	2475	19	1522	29	852
10	2163	20	1496	30	638
Total	\$30,688		\$16,974		\$11,205
Average	\$ 3,069		\$ 1,697		\$ 1,120

All of your work for an entire year is represented in one of the three figures listed. The total might be considered the salary you have earned as a family unit during the year. It is possible to figure net family earnings by a much longer method and if you want to try your hand at the longer method by adding up income, increases in inventories, changes in debts, money borrowed and paid back, changes in cash, etc., and subtracting out farm operating expenses, decreases in inventories and other items, you may be interested in Table XV. The answer is the same either way.

Table III. has been included to help us get a picture of just how 1945 compares with other years. How many of you remember 1936, and 38 and 39. Times were not so good then, were they? Net family earnings in 1944 and 1945 averaged almost three times what they were in 1938 and 1939. In the first two years cash operating expenses were actually higher than the cash incomes on many farms. If it had not been for building up cattle and other livestock inventories there surely would not have been any increases in net worth. What do you suppose lies ahead? Will we get some more drouths? Will cotton prices be maintained? Will incomes be on the increase or decrease? What will happen to cash expenses? What adjustments will have to be made? These and many other questions come to our minds as we look over this table and the chart on the cover page which puts the figures into graphic form. Anyway, that has been the facts up to date.

AND STUDY THEM

From this point on the tables will mean more to you directly because they start containing more of the analysis figures for your farm. The reading will be harder, and you will probably not want to read through quite as fast as you have so far. A statistical report of this nature is very interesting to those who want to study their farming operations more profitably. Get your pencil out if you like and make up this report with things which are of interest to you and to which you may want to refer later. If a table fits your particular case and you want to make some additional calculations, just take your time and study. Figure on the margins or in the tables. It's your report and for your use. Do your figuring where it won't get lost. There is probably no other farm implement that will pay you as much per hour of use as a good pencil. Our experience with helping FSA families has convinced us that those families who get out their plans and records and pencils and paper can't help but think and when they think they make faster progress.

Table III -- AVERAGE INCOME, EXPENSES, CAPITAL AND DEBT PAYMENTS, INCREASE IN NET WORTH, AND NET FAMILY EARNINGS FROM 8 YEARS OF RURAL REHABILITATION FARM AND HOME MANAGEMENT REPORTS IN JACKSON COUNTY, OKLAHOMA.

Item	Year							
	1938	1939	1940	1941	1942	1943	1944	1945
Cash Income	\$ 616	\$ 609	\$ 714	\$ 969	\$2192	\$2073	\$2552	\$2338
Cash Farm	354	442	345	483	960	1080	1261	946
*Cash Living	298	283	295	379	493	549	634	627
Cash Operating	652	725	640	862	1453	1629	1895	1573
Capital & Debts	-36	-116	74	107	739	444	657	570
*Prod. Home Use	283	313	386	366	447	322	506	484
*Increase In N.W.	157	98	222	389	797	605	1064	851
Net Farm Earnings	\$ 738	\$694	\$ 903	\$ 1134	\$ 1737	\$ 1476	\$ 2204	\$ 1962
*Added together to get net family earnings								

THIS IS THE WAY WE RANK

There are two methods of benefiting yourself from your records. One method is to analyze all the factors you can about your business. This method may tell you how well you have done, what your income per \$100 worth of feed amounted to and how much your power and machinery costs per crop acre amount to. But it will not enable you to see how your records compare with other records in the same area under about the same conditions. The second important benefit then is to let someone take your records along with a number of records from other farms and work out averages and then give you a report which you may be able to use as a basis for comparison.

It is hard for us to tell whether we have done a good job of farming or just a fair job unless we have some basis for making such comparisons. If we really know that someone else has made twice or three times as much cotton per acre as we made, we have a feeling that there might be a place to go to learn something about raising cotton. If we know that some family made their hens lay 200 eggs per hen, we know that there is a place to go to find out about poultry. Couldn't we have an excellent farm if we could handle each enterprise on our farm as well as the most successful family on each enterprise within a ten-mile radius from our farm? Because we hold your records personal and confidential, we can not tell you the records of any one family. But you know some families personally who are doing a good job along some particular line. Why not go see them? Have a talk with them. They will be more than glad to show you what makes their hens lay more eggs, and how they get more cotton per acre. We know you wouldn't want us to tell other families about your business; so, in just the same way, we are not in position to tell you about any other family's personal business. However, we can put the figures together as averages, and make this information available to you. This is a service which when combined with your own personal analysis work, should help you make better plans and more progress.

WHAT IS A FARM AND HOME THERMOMETER CHART?

The Farm and Home Management Thermometer Chart on the opposite page is a method of enabling you to see at a glance how you stand in comparison with other farm families on a number of selected factors. Each figure on the opposite page has been taken from some family's record book. The figures which were taken from your record book have been underscored with a red pencil. For instance, if you had the highest net family earnings for the year, your report would show that \$3821 was underscored. This means that you ranked highest, or first, on that particular item. This does not mean that you were highest on all of the factors shown. Some other family may have saved more of their earnings than you did, and were at the top on "per cent of earnings saved". There is a heavy line across the center of the page. This is not the average line but is the line which divides all 30 farms into two groups, those who ranked in the upper fifteen, and those who ranked in the lower 15. As you look across the page you can count up readily the number of items you were above the median on. Perhaps some of the things you will be happy to know that you were not one of the ones near the top, such as farm expenses, or total living costs. There are some factors that it pays to be not too high on or not too low.

This chart does not tell you what can be done, or even whether something should be done about the various factors. Usually, if you are well above the average, that particular factor may not need the attention that something does that you are below average on. It must be remembered, however, that the improvement on something that you are already above average on might actually be more important than trying to improve one of the factors you can do very little about. It is up to you to determine just how important each factor is and just how much effort you want to put forth to make changes.

The tables which follow will help to explain why you rank high or low and will give you some of the trends and some idea of the importance of the various items. For instance, income per \$100 worth of feed fed is not a very important factor to be high on if only \$100 to \$150 worth of feed was fed. On the other hand, if \$2000 worth of feed was fed and only about \$2200 income realized, then something needs to be done to improve live-stock efficiency. High crop expense per acre may be the result of operating a ranch type of farm where crop production costs couldn't result in more than \$50 saving even if they were cut in two. The determination of "what" and "how much" is one of the most important decisions to be made. It is something you must decide for yourself. Help along this line is hard to get. How to do various jobs around the farm is something it is possible to get help with quite readily. What varieties of wheat are best for your area, formulas for good laying mash, what to do to get rid of mites and lice, etc.,—are items which you can secure information about from your county agent, Oklahoma A and M College at Stillwater, farm magazines, and commercial publications of various kinds. But your records and your farm and home plans are the only things that will do you much good when it comes to determining the type of "farm organization" you want, the "what" and "how much" of farming.

TABLE IV - FARM AND HOME MANAGEMENT EFFICIENCY THERMOMETER CHART
SHOWING COMPARATIVE RANKING OF 30 RURAL REHABILITA-
TION FARMS IN JACKSON COUNTY, OKLAHOMA IN 1945

Comparative Ranking	Net family earnings	Per cent of earnings saved	Per cent of food pro- duced at home	Value of crops produced per crop acre	Income per \$100 worth of feed fed P.L.S.	Net productive live- stock income	Net debt reduction	Number in family	Cash income (farm and off farm)	Farm expenses	Working capital at end of year	Net worth at end of year	Family living costs (total)
	\$	%	%	\$	\$	\$	\$	No	\$	\$	\$	\$	\$
1	3821	67	80	31.48	X	2090	1191	7	3972	2191	5085	8235	1821
2	3674	63	79	23.30	1083	1964	1026	6	3627	1856	4747	8200	1744
3	3555	63	76	16.27	1076	1924	911	6	3602	1608	4105	6352	1582
4	3112	62	69	15.02	782	1663	887	5	3502	1463	3697	6083	1489
5	3095	62	69	14.80	758	1608	877	5	3327	1448	3653	5934	1435
6	2992	61	68	13.29	661	1581	811	5	3175	1346	3326	5232	1408
7	2912	58	67	13.26	571	1565	769	5	3134	1276	2895	5190	1316
8	2889	57	67	12.76	553	1474	757	4	3124	1249	2813	4185	1305
9	2475	56	67	12.38	539	1350	704	4	3052	1240	2686	3813	1302
10	2163	52	67	11.73	520	1039	696	4	3005	1232	2525	3526	1244
11	1977	49	64	11.55	516	1001	644	4	2966	1231	2468	3338	1168
12	1972	49	64	10.98	476	955	634	3	2797	1228	2465	3098	1167
13	1795	38	60	10.20	427	880	634	3	2610	1105	2397	2868	1136
14	1745	36	60	10.13	345	863	600	3	2506	990	2369	2862	1134
15	1733	36	60	10.02	318	861	548	3	2429	965	2347	2899	1121
16	1613	30	60	9.52	278	858	539	3	2320	804	2329	2745	1106
17	1571	29	59	9.33	275	821	529	3	2021	755	2215	2714	1025
18	1550	29	59	9.17	261	770	502	3	1904	726	2147	2640	989
19	1522	28	55	8.90	234	754	367	3	1835	699	2047	2595	948
20	1496	28	55	8.08	232	707	310	3	1702	670	2036	2393	914
21	1453	27	54	7.76	227	682	281	3	1678	620	2031	2200	904
22	1410	26	53	7.65	224	679	271	3	1671	619	2020	2059	902
23	1313	25	53	7.23	209	671	245	2	1545	544	1887	1948	872
24	1195	25	53	7.12	201	653	245	2	1525	485	1886	1833	849
25	1186	23	50	7.11	193	571	191	2	1424	484	1678	1516	835
26	1127	20	46	6.55	165	556	170	2	1413	408	1615	1371	831
27	1120	19	46	4.47	151	500	163	2	1340	361	1525	1334	815
28	911	14	45	4.15	132	471	158	2	1096	343	1389	868	803
29	852	-7	44	1.45	115	431	88	2	959	278	1058	824	678
30	638	-49	43	00	102	361	31	2	875	160	650	-571	495

WITH THIS WORKING CAPITAL WE MAKE PROGRESS?

One of the most important jobs facing the Farm Security Administration is to help families secure the capital needed to efficiently operate the farm on which they expect to make a living. Too much capital may result in too much debt, inefficient use of land and labor and perhaps in the end of the venture, a complete failure. Too little capital can bring on the same result. Crops to grow, cows to milk, and chickens to feed provide each farm family with profitable employment if those enterprises are sufficiently large to keep all family labor employed throughout the year. The average family had \$2617 worth of working capital at the end of 1945. This amount was represented by \$774 worth of productive livestock, \$1166 worth of workstock and other power and machinery items, \$344 worth of feed, seed, and growing crops and \$333 cash to start next year's operations. The high income group had \$3500 worth of working capital and the low group only \$2244, however, the low group had more invested per crop acre in power and machinery and more invested per total acre in farm in productive livestock. On a per acre basis, the low income group only had about \$1.00 more per acre invested in total working capital than the high group. This indicates about the same degree of concentration of productive livestock per acre. The livestock income per acre amounted to \$6.11 on the high income farms and \$6.14 on the low income farms indicating again about the same degree of concentration of livestock per acre.

The low income group had \$11.15 per crop acre invested in workstock, power and machinery compared with \$9.17 on the high income farms. This would make us believe that inadequate operating capital was not the most important item standing in the way of farm success. Another indication of this program of adequate financing can be seen by comparing the number of farms in various groups who have tractors, autos, cows, etc. Twenty-seven farms had tractors, 28 had cars or trucks, all had cows and chickens, 20 had hogs on hand at inventory time, and 27 either sold or butchered hogs during the year. Twenty-eight farms grew cotton and 14 grew wheat. Twenty-Four out of the 30 had sudan pasture for their livestock during the dry summer period. In comparing the above items for the high and low income groups, it does not appear that the high group had any particular advantage. Under an ordinary lending program it is doubtful that circumstances like this would prevail. The importance of adequate financing shows up when sound farm and home plans are worked out, and the possibilities of inadequate financing as a retarding factor in rehabilitation are greatly reduced. Even though the high income group had a larger amount of working capital, the low group probably had all the capital they could use in proportion to the number of acres of crop land or total number of acres in their farms and could have easily had much higher incomes if yields per acre and income from feed fed had stood up as well as financing.

TABLE V - AVERAGE CAPITAL INVESTMENT OF FARM OPERATORS' ON
30 RURAL REHABILITATION FARMS IN JACKSON COUNTY,
OKLAHOMA, AT END OF YEAR IN 1945

Item	Your Farm	Average 30 Farms	Average 10 High	Average 10 Low
Net Family Earnings:	\$	\$1962	\$3069	\$1120
Operators' Investment	\$	\$4855	\$6771	\$4546
Feed and seed	\$	\$ 171	\$ 282	\$ 140
Growing crops		173	211	74
Poultry		75	86	77
Sows and gilts		26	24	26
Other hogs		28	48	29
Sheep and goats		0	0	0
Cows and bull		444	594	356
Other cattle		201	234	119
Horses and mules		20	21	29
Machinery		196	266	149
Auto and truck		209	265	198
Tractor		741	947	703
Cash on Hand		333	522	344
Working Capital	\$	\$2617	\$3500	\$2244
Land and buildings		1486	2410	1589
Household goods		587	671	576
Food on hand		141	159	135
Fuel on hand		4	6	2
Accounts due		20	25	0
Total owned by Operator	\$	\$4855	\$6771	\$4546
Acres per farm		172.7	206.6	125.2
Crop acres per farm		132.9	163.5	96.8
Number of farms with tractors		27	10	8
Number of farms with autos		28	9	10
Number of farms with cows		30	10	10
Number of farms with poultry		30	10	10
Number of farms with hogs		20	7	6
Number of families owning land		10	4	4
Number of families growing cotton		28	10	10
Number of families growing wheat		14	4	2
Number of farms with sudan pasture		24	8	9
Investment per crop acre in power and machinery	\$	\$ 8.77	\$ 9.17	\$11.15
Investment per crop acre in Pro- ductive L. S.	\$	\$ 4.48	\$ 4.77	\$ 4.85
Investment per crop acre in working capital	\$	\$15.15	\$16.94	\$17.95

THE HIGH INCOME GROUP POINTS THE WAY

In any large group of people there are some who just naturally seem to get along better than others. Sometimes things which prevent people from getting ahead are beyond their control but most of the time the things that stand in the way of success are things which the individual family can control. There may be floods and drouths, insects and diseases and low prices, but these as a rule affect all farmers in an area. Some families say "Our garden just burned up last July and we just didn't get anything out of it." Perhaps if a good check-up were made, that family didn't get the garden plowed in the fall, they didn't get about twenty loads of manure per acre scattered over the garden, they didn't get insects controlled, and the garden was still just standing there about half grown when the hot winds of July hit. There is a time and a method best suited for doing things in each area, and if things are not done on time or the proper methods not used, who could expect good results, even if weather and prices were satisfactory.

What are the best methods? When is the best time to do various jobs around the farm? What is the most efficient method both from the standpoint of use of capital and the use of labor? What crops return the highest income per hour of labor, and how does this balance with the crops which furnish the largest amount of profitable labor? Just what kind of a farm organization will bring in the most satisfactions from our time? The better farmers find time to get the answers to questions like these, and they don't mind at all taking a day off once in a while to find out new methods. It's just about like one farmer said one time, "maybe I'm a little lazy, but when I sit down to milk a cow I want to know that I'll get paid for it." Whether he milks the cow or not is a problem of just plain labor, but whether he gets paid is a problem of management. Poor underfed cows housed in leaky, windy sheds just couldn't make the grade.

When we put all of our records together, and find that some families earned almost three times as much as other families, there must be a reason and the reason does not indicate that lack of work was the big problem. The big problem is getting paid for that work. Now how did the high income group handle their operations to get more pay? Did they produce their crops at lower costs? Did they feed their feed more efficiently? Did they feel they were too busy to learn new methods? They knew it paid them to go to "Feeder's Day." They knew it paid them to go to the "Dairy Day." They knew it paid to see how other farmers were controlling erosion and re-seeding pastures. The high income group operate just plain family sized farms like the low income group. They do their own work just like the low income group. This is true because they only hired \$81 more labor, yet their own labor income amounted to \$1920 compared with \$569 on the low income farms. Surely the high income group points the way well enough that we need to study how they get it done.

TABLE VI - AVERAGE NET WORTH STATEMENT AT END OF YEAR ON
30 RURAL REHABILITATION FARMS IN JACKSON COUNTY,
OKLAHOMA IN 1945

Item	Your Farm	Average 30 Farms	Average 10 High	Average 10 Low
Net Family Earnings	\$	\$1962	\$3069	\$1120
Working Capital Owned		2617	3500	2244
F.S.A. debt		1043	944	1267
Other working debts		5	1	0
Working Capital Net Worth	\$	\$1569	\$2555	\$ 977
Land and Buildings owned	\$	1486	2410	1589
Household, food and fuel		732	836	713
Accounts due		20	25	0
Total Owned	\$	\$4855	\$6771	\$4546
Land Mortgage		531	970	623
Other non-working debts		0	0	0
Net Worth Dec. 31, 1945	\$	\$3276	\$4856	\$2656
Net Worth Jan. 1, 1945		2425	3148	2420
Increase during year	\$	\$ 851	\$1708	\$ 236

TABLE VII - CASH ON HAND RECEIVED AND PAID OUT ON 30 RURAL
REHABILITATION FARMS IN JACKSON COUNTY, OKLA-
HOME IN 1945

Item	Your Farm	Average 30 Farms	Average 10 High	Average 10 Low
Net Family Earnings	\$	\$1962	\$3069	\$1120
Cash on hand Jan. 1, 1945		96	125	114
Cash farm income		1942	2477	1671
Income not from farm		396	688	178
Money borrowed		452	516	612
Total Cash to Account For	\$	\$2886	\$3806	\$2575
Farm Operating expenses		946	1213	839
Farm capital goods		396	720	300
Home operating expenses		627	752	476
Home capital goods		34	70	7
Paid F.S.A.		510	605	422
Paid on other debts		79	144	76
Other investments		3	6	0
Cash on hand Dec. 31, 1945		333	522	344
Total Cash Accounted For	\$	\$2928	\$4032	\$2464
Cash Unaccounted For	\$	\$ 42	\$ 226	\$-111

NET WORTH GOES UP AS DEBTS GO DOWN

There are two methods of increasing net worth, (1) building up inventories of livestock, machinery, land, food, feed, et cetera, and (2) paying up debts. Table VI, page 18, indicates the low income group was in debt more at the end of the year than the high group. This is accounted for largely because more of the borrowers in the low income group are getting started and have not been able to get their farms into full operations. They have more to learn about the way their soils produce various crops, they are not sure of some of the methods they are using. They will soon find out, and perhaps three years from now they will be in the high income group and other families will be starting. And then their average debt will be low and their equity in their operating capital will be up to 75 or 80% just like the high income group now.

MONEY COMES AND MONEY GOES

There are perhaps a few of you who remember the cash balance sheet we used to have in our older record books and you will recall that it wasn't nearly as much trouble to remember each month what might have happened to some money as it is to try and remember at the end of the year. The cash balance in Table VII, page 18, is the method that was used in checking in your record book for proper accounting of cash, and it was much more difficult this year than in previous years where cash was balanced monthly. It is interesting to note that the high income group knew what they did with \$226 more than they took in, and the low income group knew they took in \$111 more than they could figure out what they spent it for. We know you want the information on which you plan your future operations to be as accurate as possible, and we believe that you can balance cash monthly in the blank spaces around the edges of the monthly income and expense pages. The problems of borrowing money and paying it back, selling crops and livestock and buying tractors, gas, oil and repairs, the problems of family cash expenditures - all combined together to make the ability to handle cash one of the most important jobs on a modern farm, and handling cash means records that will help answer your questions. It pays to know where the money comes from and where it goes as a guide in planning where future money will come from and where we want future incomes to go.

THE HIGH INCOME GROUP TAKES IN MORE MONEY

Table VIII, page 20, indicates that the high income group had a cash income of \$3165 compared with \$1849 on the low income farms. This past year there were a number of veteran loans and their "off farm" incomes from the Veterans Administration accounted for the fact that off farm incomes were higher on the high income farms. This is not usually the case. Many of these men are making their adjustments to a changed agriculture and these extra payments are a great help in preventing what happened at the end of the First World War when many of the boys returned, went in debt for high priced equipment and livestock and were never able to pay out.

TABLE VIII - OPERATOR'S SHARE OF FARM INCOME AND FARM
EXPENSES ON 30 RURAL REHABILITATION FARMS
IN JACKSON COUNTY, OKLAHOMA IN 1945

Item	Your Farm	Average 30 Farms	Average 10 High	Average 10 Low
Net Family Earnings	\$	\$1962	\$3069	\$1120
Income:				
Dairy products sales	\$	\$ 360	\$ 420	\$ 295
Egg sales		101	88	96
Poultry sales		33	43	36
Hog sales		20	19	6
Cattle sales		138	118	173
Other livestock sales		4	5	4
Total livestock sales	\$	\$ 656	\$ 693	\$ 610
Cotton sales		851	1338	742
Other crop sales		248	276	80
Other farm income		187	170	239
Total Cash Farm Income	\$	\$1942	\$2477	\$1671
Income Not From Farm	\$	\$ 396	\$ 688	\$ 178
Total Cash Income	\$	\$2338	\$3165	\$1849
Expenses:				
Feed bought	\$	\$ 151	\$ 185	\$ 154
Crop expenses		192	201	210
Livestock expenses		19	30	17
Auto and truck expenses		159	230	110
Tractor expenses		156	228	109
Other machinery expenses		40	50	45
Hired labor		131	174	93
Other farm expense		20	46	2
Taxes, insurance, et cetera		64	44	95
Building and fence repairs		14	25	4
Total Cash Farm Operating Exp.	\$	\$ 946	\$1213	\$ 839
Net Cash Farm Operating Income	\$	\$ 996	\$1264	\$ 832
Farm Capital Expenditures:				
Hog bought	\$	\$ 15	\$ 18	\$ 23
Cattle bought		57	93	66
Other livestock bought		20	24	16
Farm machinery		161	175	188
Land bought		106	314	1
Buildings bought		37	96	6
Total Farm Capital Expense	\$	\$ 396	\$ 720	\$ 300
Operating and Capital Expenses		1392	1933	1139
Net Cash Farm Income	\$	\$ 550	\$ 544	\$ 532
Farm Inventory Increase	\$	\$ 674	\$1412	\$ 324
Living from Farm		484	609	408
Farm Income	\$	\$1708	\$2565	\$1264
5% Interest on Farm Investment		171	225	175
Labor Income		1537	2340	1089
Unpaid Family Labor		493	420	520
Operator's Farm Labor Income		1044	1920	569
Value of Operator's Labor		1127	1200	1040

The analysis of incomes in Table VIII indicates that all farms have a good foundation of livestock production. The low income farms sold \$610 worth of livestock and livestock products and the high income group only sold \$83 more than that. There was some difference, however, in the sources of the livestock income. The high group sold \$420 worth of dairy products and the low group sold less than 2/3 of that amount. The low group, on the other hand, sold \$55 more cattle. This would indicate that the high income group was following more of a type of farming which provided them with more hours of employment because anyone knows it takes more time to milk a bunch of cows than it does to turn the calves in with them. But a study of what happened to butterfat and milk prices after the other war would indicate the soundness of staying with the dairy enterprise for year around employment. The purchasing power of butterfat stood up better than the purchasing power of any other farm commodity in the post war period following World War I.

The greatest differences in income between the high and low groups were due to differences in crop income. Some got their crops in just ahead of the long rainy spell in the spring and made a fairly good crop. Others didn't get around to it as early and when they could plant, it was so late that the dry season ruined their crops, and then a few farms were just hailed out completely. Those who had their cotton crop insured will collect and this income was counted in as 1945 income. Those who didn't make a crop and did not have it insured were, of course, great losers, and many of them showed up in the low income group. Insurance comes high, but it doesn't come a bit higher than the risks of dry weather and hail in this part of the State. Farming is too big a gamble at its best, and we ought to do everything to take the gamble out of it if we expect to be secure. It is easier to pay a share of the crops each year as insurance than it is to weather a complete failure one year.

AND SPEND IN PROPORTION

When incomes fail to materialize, it is only natural that the per cent of the income spent for operating expenses will run comparatively high. It is not often that farmers are able to hold their expenses down in proportion, but the low income farms this year actually held those expenses right on down in proportion. Just looking at farm income alone (excluding income not from farm) the low income group spent 50% of their farm income for farm operation and the high group spent 49%. That puts the figures so close together that it is an indication that the low income group must have been watching their expenditures very carefully throughout the entire year just like the high income group was doing. Fifty per cent of the farm income spent for farm operation is high, but with normal crops the same expenditures should not amount to more than 35 to 40% of the income.

TABLE IX - NUMBER OF SOURCES OF INCOME AS RELATED TO
NET FAMILY EARNINGS AND INCREASE IN NET
WORTH ON 30 RURAL REHABILITATION FARMS IN
JACKSON COUNTY, OKLAHOMA IN 1945

Number of sources of income	Number of farms	Net family earnings		Increase in net worth	
		Total	Average	Total	Average
3	2	\$4459	\$2230	\$2076	\$1038
4	1	1745	1745	910	910
5	3	5305	1768	2504	835
6	9	17122	1902	7536	837
7	6	11051	1842	4916	819
8	6	13601	2268	5547	925
9	3	5584	1861	2040	680
Total	30	\$58867	\$1962	\$25529	\$851

HOW DOES DIVERSIFICATION AFFECT INCOMES

A long time ago in the early history of this country, Benjamin Franklin admonished people to "not put all their eggs in one basket" and his advice was considered good. Some hundred years later, Andrew Carnegie said, "put all your eggs in one basket - and then watch the basket." He accumulated a fabulous fortune in one product--steel, and this would lead us to believe he might have also exercised sound judgment. The problem of diversification seems to be as great as ever, and Table IX doesn't help us get any closer to the answer than Franklin and Carnegie were.

In Table VIII you will find listed nine sources of farm income with the average received from each source, but the table does not show the number of families who sold each type of product. And in order to see what the effect might be of having a number of sources of income instead of a few, the farms were grouped according to the number of different sources of income. For instance, if a farm sold only dairy products and cotton, that would be two sources. If the farm sold eggs, poultry, and cotton, that would be three sources. There were two farms where there were only three sources of income. That means that all farms had at least three sources of income. There were three farms which reported 9 sources of income. The group with only three sources averaged \$2230 net family earnings, and the three with 9 sources averaged \$1861 net family earnings. The 9 farms with six sources of income averaged \$1902 net family earnings. The last column on increase in net worth does not show a trend different from the column on net family earnings.

Possibly more important than diversification is something which has not shown up - efficiency in producing income - whether it is one source or a dozen. Perhaps our sample of farms (just 30) is a little too small to enable us to draw any far reaching conclusions, but it is what happened on 30 RR farms in 1945, regardless of what future and past analyses may show. Those of us who are ill at ease with all of our possible income wrapped up in a cotton crop will surely be advocates of diversification and perhaps there are a few who want all their possible income in a cotton patch. Let's compromise, and "hold up our conclusions until more facts are available."

USE OF LAND AND VALUE OF CROPS PRODUCED

Farming consists largely of producing crops, and either selling those crops or feeding them to livestock. This means then that the crop production program is the foundation of any farming enterprise, and yet we seldom actually sit down and add up the value of all of the crops produced and see if it looks like the job was done at a profit. Tables X and XI, page 24, have been designed for the purpose of helping you see just what the crop production program actually amounts to.

Cotton accounts for the largest single acreage. Wheat is next and grain sorghums for grain and hay third. The average farm only had about 32 acres of pasture. The high income group of farms raised about 14 more acres of cotton and 37 more acres of wheat. This would indicate that the more profitable farms were located where both wheat and cotton may be grown, thereby providing a better distribution of labor throughout the year, and that the low income farms with only 6 acres of wheat were located for the most part in areas where wheat is not adapted. The acreage of sudan grass pasture per farm indicates again the uniform livestock program on both high and low income farms.

Table XI, page 24, shows the value of the farm operator's share of crops. It must be remembered that the landlord's share is not included in these values. The value of the crops shown in this table is the value of crops which the farm operator received as his share to pay him and his family for their labor and the power and machinery costs and other costs of crop production. The 44.7 acres of cotton on the average farm gave the operator a little over \$17 gross crop income per acre as pay for his labor power and machinery and other crop costs while the wheat crop only produced a little more than \$8. This means that on a farm where crop acreage is definitely limited with little opportunity to rent additional land, cotton will be planted in preference to wheat even though wheat might return a higher return per hour of labor. In fact, some farmers think so little of the labor involved in producing wheat that sometimes you hear the remark, "No, I'm not farming this year, I just sowed it down to wheat and let it go." If all the farmers in Jackson County suddenly decided to plant all wheat and no cotton, the total income to agriculture would surely take a sudden drop, incomes per family would go down, and that would mean another group of farmers would have to give up their farms. A well organized family type farm growing cotton and wheat and feed and sudan grass pasture and furnishing feed for a good herd of milk cows, well bred hens, and other livestock in proportion, is able to return more net family earnings to the farm family than any other type of farm set-up.

And now let's take a look at what was done with the crops produced in 1945.

TABLE X - USE OF LAND ON 30 RURAL REHABILITATION FARMS
IN JACKSON COUNTY, OKLAHOMA IN 1945

Item	Your Farm	Average 30 Farms	Average 10 High	Average 10 Low
Net Family Earnings	\$	\$1962	\$3069	\$1120
Acres in Farm		172.7	206.6	125.2
Cotton		44.7	57.5	43.9
Other cash crops		2.0	3.6	.9
Corn		1.8	2.7	2.2
Oats		6.8	2.6	.6
Wheat		32.3	42.1	6.0
Grain Sorghum (grain)		14.3	10.9	16.3
Barley		1.6	2.7	0
Alfalfa		1.0	0	1.2
Other hay and forage		10.8	14.8	9.9
Sudan pasture		8.7	10.8	8.2
Other crops pastured		8.9	15.8	7.6
TOTAL CROP LAND		132.9	163.5	96.8
Permanent pasture		32.3	34.3	23.0
Farmstead and roads, etc.		7.5	8.8	5.4
TOTAL ACRES IN FARM		172.7	206.6	125.2

TABLE XI - VALUE OF OPERATOR'S SHARE OF CROPS PRODUCED
ON 30 RURAL REHABILITATION FARMS IN JACKSON
COUNTY, OKLAHOMA IN 1945

Item	Your Farm	Average 30 Farms	Average 10 High	Average 10 Low
Net Family Earnings	\$	\$1962	\$3069	\$1120
Value of Crops Harvested	\$	\$1333	\$1935	\$1021
Cotton	\$	\$ 786	\$1139	\$ 767
Other cash crops		43	111	18
Corn		19	46	10
Oats		34	13	6
Wheat		269	375	84
Grain Sorghum (Grain)		82	118	44
Barley		3	8	0
Alfalfa		3	0	0
Other hay and forage		92	119	92
Sudan pasture		*	*	*
Other crops pastured		2	6	0
Total Value of Crops	\$	\$1333	\$1935	\$1021
Value per Acre	\$	\$10.03	\$11.83	\$10.55

*Crop land used for Sudan grass pasture but no crop harvested.

LIVESTOCK PAY WELL FOR THE FEED THEY GET

The average farm produced \$1333 worth of crops and only fed \$327 worth of feed, and \$151 worth of that was purchased feed. This is a problem which time has prevented us from studying in the years gone by and it is one which throws considerable light on why farms differ in earnings. Calculating how well livestock have paid for their feed is a relatively simple job if we can have a record of crops produced and the value of such crops. We can calculate the value of feed fed the livestock by adding together the feed on hand at the beginning of the year, the feed produced and feed purchased and subtracting from this total the crops sold, still on hand at the end of the year, feed fed workstock and the crops used for seed and food. This gives us the value of feed fed the productive livestock. Workstock are not considered productive livestock because they are kept primarily for furnishing power and, therefore, the workstock and their feed costs must be considered as a part of power and machinery costs. For that reason, the feed fed workstock is estimated and subtracted out so that the feed balance is the feed fed the cows, chickens, hogs, and other livestock kept primarily for producing income. Feed costs amount to 50 to 75% of livestock production costs and income per \$100. Feed fed is, therefore, a relatively good measure of livestock efficiency. After we know how much feed was fed the productive livestock, we still need to calculate how much income that feed produced. We can do this by adding together livestock sales and livestock product sales, livestock produce for home use and livestock inventory at the end of the year (not workstock) and subtracting from that total the amount of livestock purchased and on hand at the start of the year. This calculation can be made from the records of almost any well kept farm record book.

Now that we know how much feed was fed and how much income was received from the livestock, we can readily see how much was received per \$100 worth of feed fed. The calculations here do not include pasture, consequently, the figures may seem quite high and if they do not suit your desires for checking up on livestock efficiency from this standpoint, just put a value on the sudan and native pasture and charge it up to the livestock too. As we have used the figures in this table, income per \$100 worth of feed means the amount of income available as pay for labor, pasture, and other costs of livestock production for each \$100 worth of feed fed.

The high income group of farms fed \$363 worth of feed and produced \$1262 worth of income, or a return of \$348 per \$100 feed fed. The low income group fed \$313 worth of feed and produced \$768 worth of livestock or a return of \$245 for each \$100 worth of feed fed. These figures indicate that livestock deserve a lot more attention than they have been given in the past. This would account for a difference of around \$300 between the two groups that is due to higher livestock feeding efficiency. That is around a dollar a day additional income, not for caring for more livestock, not to putting in longer hours, but simply to seeing to it that the livestock were the kind that paid better for feed fed. That again, is a problem of management not labor. What will the livestock do next year? Well - that depends on you.

TABLE XII - EFFICIENCY OF FEEDING LIVESTOCK ON 30
RURAL REHABILITATION FARMS IN JACKSON
COUNTY, OKLAHOMA IN 1945

Item	Your Farm	Average 30 Farms	Average 10 High	Average 10 Low
Net Family Earnings	\$	\$1962	\$3069	\$1120
Net Livestock income	\$	\$1009	\$1262	\$ 768
*Value of feed fed		327	363	313
*Income per \$100 feed fed	\$	\$ 309	\$ 348	\$ 245
Per cent of L.S. income to buy feed		15%	15%	20%
Per cent of L.S. income from Dairy and poultry		49%	44%	56%
Acres of sudan pasture		8.7A	10.8 A	8.2A
Acres of other crops pas- tured		8.9A	15.8A	7.6A
Acres of permanent pasture		32.3A	34.3A	23.0A
Method of calculations:				
Feed & seed at start of yr	\$	\$ 143	\$ 160	\$ 156
Value of crops produced	\$	\$1333	\$1935	\$1021
Value of feed purchased	\$	\$ 151	\$ 185	\$ 154
Total feed to account for	\$	\$1627	\$2280	\$1331
Crops sold or traded		1058	1553	814
Feed and seed at end of year		171	282	140
Feed fed workstock		18	10	30
Crops used for seed and food		53	72	34
Total crop accounted for	\$	\$1300	\$1917	\$1018
Feed fed productive live- stock	\$	\$ 327	\$ 363	\$ 313
L.S. and L.S. products sales		653	691	606
L.S. and L.S. products home use		312	418	223
L.S. on hand at end of year		773	986	607
Total Prod. L.S. credits	\$	\$1738	\$2095	\$ 1436
Prod. L.S. purchases		88	121	105
Prod. L.S. at start of year		641	712	563
Total prod. L.S. charges	\$	\$ 729	\$ 833	\$ 668
Net productive L.S. income	\$	\$1009	\$1262	\$ 768
Income per \$100 feed fed P.L.S.	\$	\$ 309	\$ 348	\$ 245

*This does not include pasture charges.

TABLE XIII - AVERAGE INCOME PER \$100 FEED FED TO PRODUCTIVE LIVESTOCK AS RELATED TO SELECTED FACTORS OF EFFICIENCY ON 30 RURAL REHABILITATION FARMS IN JACKSON COUNTY, OKLAHOMA IN 1945

Range in in- come per \$100 feed fed	No. of Farms	Value of feed fed produc- tive live- stock	L.S. Pro- ducts for home use	Income from produc- tive L.S.	Pct. In- come from dairy & poultry	Increase in net worth
0-200	6	\$ 486	\$266	\$ 686	41%	\$ 745
201-300	9	485	331	1162	48%	625
301-400	2	183	291	604	47%	292
401-500	2	160	254	735	55%	279
501-600	5	207	352	1122	41%	1181
601-700	1	223	213	1474	44%	1105
701-800	2	134	238	1032	67%	1464
801-UP	3	100	431	1302	44%	1450
Total	30	\$ 327	\$ 312	\$1009	49%	\$ 851

LABOR, POWER AND MACHINERY COSTS

Tables XIV and XV, page 28, have been assembled for the purpose of studying the problem of what it costs to produce crops. Power and machinery costs are made up largely of (1) cash operating expenses for machinery and (2) machinery depreciation. The net expense is affected, however, by sales of machinery and workstock, income from the use of machinery and workstock, purchases of machinery and workstock and feed for workstock, but for the most part, machinery costs consist of cash operating expenses and depreciation.

Table XIV indicates that the high income farms produced \$1935 worth of crops at a labor, power, and machinery cost of \$1314 leaving a net value of \$3.79 per acre above all power and machinery costs and a fair estimate of the value of labor used in crop production. The high income group produced \$1.28 more crops per acre and they did it at a cost \$2.50 less than the low income group, making a higher net income of \$3.78 per acre. The additional income from crops plus the saving in power and machinery expense would amount to a higher net income to the high group of farms of about \$502.

If the high group made \$300 more money by doing a better job of feeding their livestock, and \$500 more money by producing more crops at less expense, there is about \$800 additional income received from watching just two important items. It would appear that the greatest opportunities for more income lie in improving feeding efficiency and cutting machinery costs, with machinery costs the more important of the two.

TABLE XIV - POWER AND MACHINERY COSTS ON 30 RURAL REHABILITATION FARMS IN JACKSON COUNTY, OKLAHOMA IN 1945

Item	Your Farm	Average 30 Farms	Average 10 High	Average 10 Low
Net Family Earnings	\$	\$1962	\$3069	\$1120
Value of crops harvested	\$	\$1333	\$1935	\$1021
Acres of crops		132.9A	163.5A	96.8A
Value of crops per acre	\$	\$10.03	\$11.83	\$10.55
Labor, power and machinery costs		8.42	8.04	10.54
Net Value Produced Per Acre	\$	\$1.61	\$3.79	\$.01
How to Calculate Costs:				
Beginning Machinery Inv.		1043	1381	923
Beginning workstock Inv.		30	11	42
Machinery purchases		161	175	188
W.S. purchases and feed costs		21	17	30
Machinery exp. and hire		355	508	264
Total Power and Machinery Charges	\$	\$1610	\$2092	\$1447
Ending machinery inventory		1147	1478	1050
Ending workstock inventory		20	21	29
Machinery sales		0	0	0
Workstock sales and income		5	2	9
Machinery income (not labor)		27	37	14
Total Power and Machinery Credits	\$	\$1199	\$1538	\$1102
Net power and machinery costs	\$	\$ 411	\$ 554	\$ 345
Net P. & M. cost per crop acre	\$	\$3.09	\$3.39	\$3.56

TABLE XV - LABOR, POWER AND MACHINERY COSTS ON 30 RURAL REHABILITATION FARMS IN JACKSON COUNTY, OKLAHOMA IN 1945

Item	Your Farm	Average 30 Farms	Average 10 High	Average 10 Low
Net Family Earnings	\$	\$1962	\$3069	\$1120
Cost of hired labor	\$	\$ 131	\$ 174	\$ 93
Board for hired labor		0	0	0
Operator's and family labor		1620	1620	1560
Total labor charges	\$	\$1751	\$1794	\$1653
Income from labor off farm		262	329	187
Net labor cost	\$	\$1489	\$1465	\$1466
Estimated share on crops		708	760	675
Estimated share on livestock		528	449	545
Estimated share on overhead		253	256	246
Value of crops produced	\$	\$1333	\$1935	\$1021
Labor, power & machinery on crops	\$	\$1119	\$1314	\$1020
Value of crops above L.P.M. costs	\$	\$ 214	\$ 621	\$ 1
Value of crops per crop acre	\$	\$10.03	\$11.83	\$10.55
L.P.M. costs per crop acre		8.42	8.04	10.54
Power and mach'y per crop acre		3.09	3.39	3.56
Labor cost per crop acre		5.33	4.65	6.98
Labor income per crop acre	\$	\$ 6.94	\$ 8.44	\$ 6.99

Power and
Machinery
Costs per
Crop Acre

Chart III. - Power and Machinery Costs per Crop Acre as Related to Acres of Crops per Farm on 27 Rural Rehabilitation Farms in Jackson County, Oklahoma in 1945.

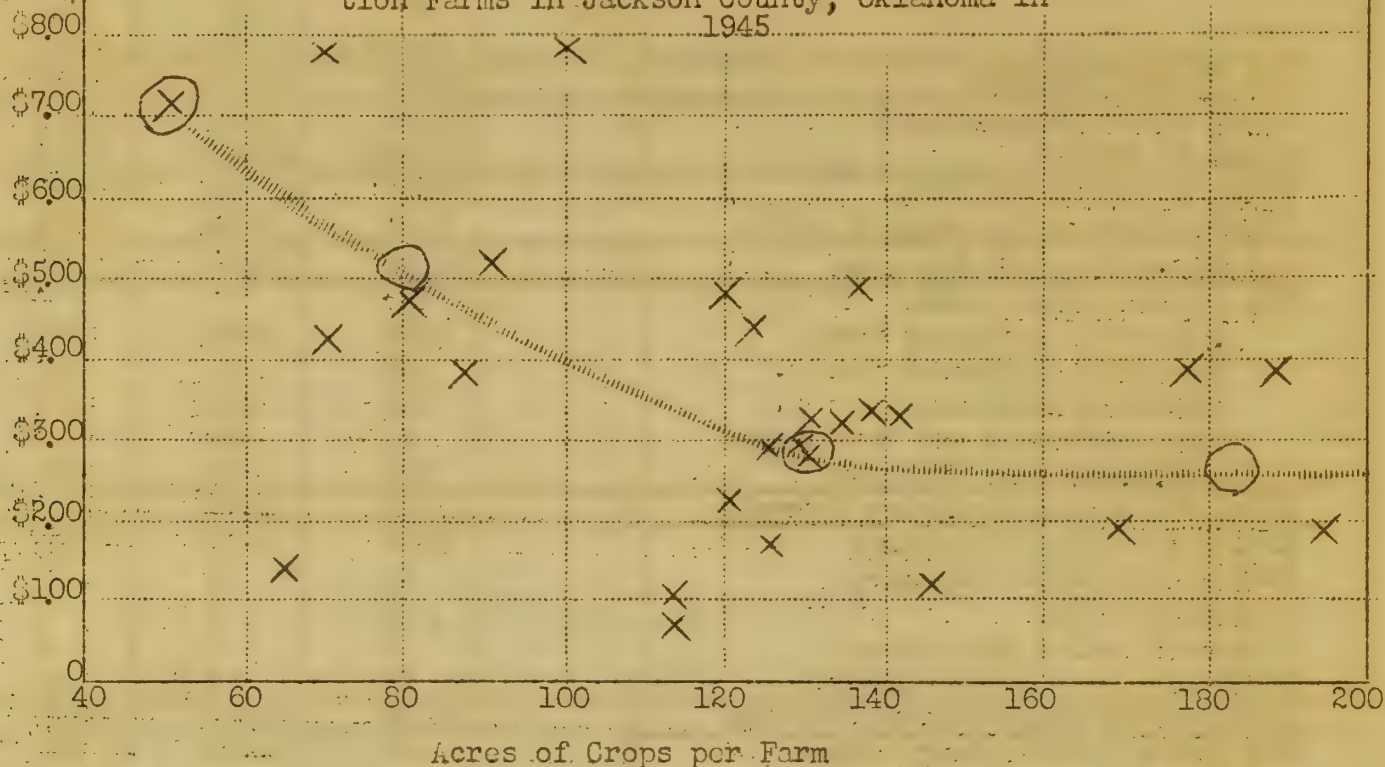


TABLE XVI. - NUMBER OF ACRES OF CROPS PER FARM AS RELATED TO LABOR, POWER, AND MACHINERY COSTS PER CROP ACRE ON 30 RURAL REHABILITATION FARMS IN JACKSON COUNTY, OKLAHOMA IN 1945.

Acres of Crops per Farm	Number of Farms	Total Acres in Crops	Total Power and machinery costs	Average Crop Acres per Farm	Average Labor, Power & Mach'y Costs per crop Acre	Average Power and machinery costs per Crop Acre
0-50	1	50	\$ 353	50	15.06	7.06
51-100	7	563	2841	80	14.46	5.04
101-150	15	1921	5415	128	7.94	2.82
151-200	4	726	1999	182	7.99	2.75
201-250	1	205	818	205	8.87	4.00
251-300	2	523	903	262	3.45	1.73
Total	30	3988	\$12,329	133	8.42	3.09

TABLE XVII - POWER AND MACHINERY COSTS PER CROP ACRE AS RELATED TO NET FAMILY EARNINGS, INCREASE IN NET WORTH, AND OTHER SELECTED FACTORS ON 30 RURAL REHABILITATION FARMS IN JACKSON COUNTY, OKLAHOMA IN 1945

Power and machinery cost per crop acre	No. of Farms	Net family earnings	Increase in net worth	Value of crops produced	Power and machinery costs	Pay for capital & labor on crops	Estimate placed on value of labor on crops	Capital income from crops
(1)	(2)	(3)	(4)	(5)	(6)	(7)(5-6)	(8)	(9)(7-8)
\$0 - .99	2	\$1861	\$1008	\$ 434	\$107	\$ 327	\$ 650	\$-323
1.00-1.99	6	1952	965	1096	200	896	708	188
2.00-2.99	5	2337	1017	1746	425	1321	540	781
3.00-3.99	7	1956	753	1511	493	1018	743	275
4.00-4.99	6	2039	906	1341	538	803	868	-65
5.00-Up	4	1458	483	1296	528	768	650	118
Total	30	\$1962	\$ 851	\$1333	\$411	\$ 922	\$ 708	\$ 214

MORE CROP ACRES MEANS LESS COST PER ACRE

The operator of a large farm has the advantage of the small operator in that he can produce crops at a lower cost per acre for power and machinery. The large operator soon starts running into difficulty, however, when he must hire labor to do the work which he is unable to do himself. Chart III, page 29, shows how the power and machinery costs per crop acre come down as the number of acres of crops increase. The most economical production from the standpoint of producing at low cost seems to come on the farms which raise from 100 to 200 acres of crops. Their costs average around \$2.80 for power and machinery and between \$5.00 to \$5.25 for labor, making a total cost for labor, power, and machinery of about \$8.00 per acre. Higher acreage and lower acreage both resulted in higher total labor power and machinery costs per crop acre, and also lower net income from crops. (See Charts IV and V, page 32)

NOT TOO MUCH AND NOT TOO LITTLE PAYS BEST

Some operators consider their bright shiny tractor a luxury, and really should have the cost charged up to recreation and pleasure just as the city man must do with his golf clubs. On the other hand, some farmers are so afraid of going in debt for adequate farm equipment that they operate at a distinct disadvantage year after year and have a most difficult time paying off their obligations. Chart IV and V, page 32, indicate the importance of spending just the right amount for power and machinery, and the right amount seems to be close to two to three dollars per crop acre. At least the five farms which spent between two and three dollars produced the highest net income above power and machinery costs, and even after labor was deducted as indicated in Chart V, page 32, the income was still higher than any other group. Those who spent between one and two dollars per crop acre for power and machinery

had \$188 left after making a fair allowance for their labor. The seven farms where three to four dollars per crop acre was spent for power and machinery averaged \$275 crop income after making a fair charge for labor. The five farms between these two groups averaged \$781 crop income, indicating that the highest net incomes are realized when not too much and not too little is spent for power and machinery costs.

FEED AND MACHINERY ARE OUT TWO BIG PROBLEMS

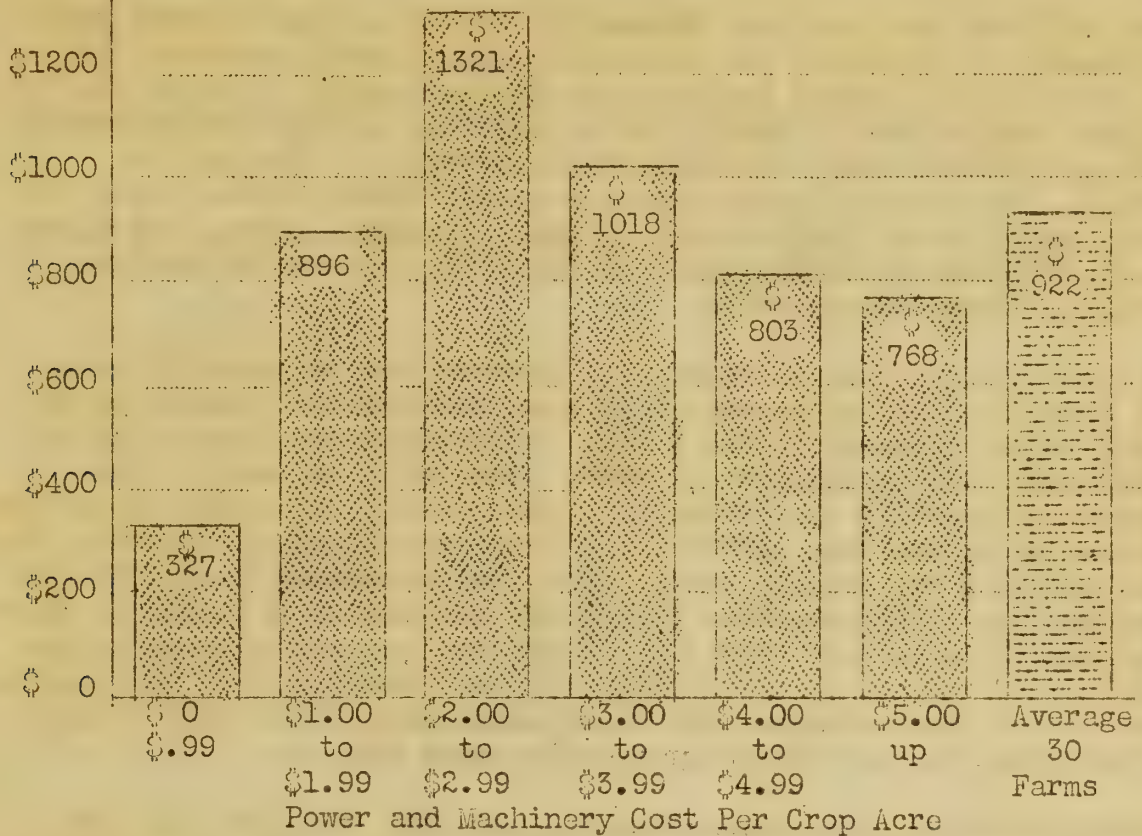
Approximately \$800 of the difference between the high and low income groups can be explained by the higher efficiency of the high income farms in feeding their feed and in holding down power and machinery costs. When we used to farm with horses, we could lose our horse feed because we raised it, we could lose the value of our labor in a crop failure because the labor was available and would go to waste if not used, and if we didn't make a crop, the landlord lost right along with us, and we could stay in the farming business. That is what led up to the old adage that "a farmer was the only business where you could operate at a loss year after year and still stay in business." The tables are turned now. Farmers who operate with labor saving machinery can produce crops at lower cost per pound of cotton or bushel of wheat, and will rent land out of under the farmer who cannot secure the capital to operate land efficiently.

At the same time, the use of machinery puts us on a "cash basis" and requires an entirely different approach to our farm operation business problems. A farmer must now get cash income to pay cash expenses, or he goes in debt. His cash income must exceed his expenses on an average over a period of years or the tractor company takes the tractor, the auto finance company takes the car, and the bank takes the cows. And how could a farm family stay on a farm without a tractor, a car or truck, or without cows. Well, that is just what happened to about five or six hundred farm families in Jackson County between 1930 and 1940, and some more, we don't know how many, between 1940 and 1945.

To stay in business on a farm now, we just have to learn to do business in a modern world, and if we can't become good managers, then we will have to just do like people do in industry, let someone else do our thinking and we will just be the "hired hand". That sort of a life doesn't have much of an appeal to an enterprising farm family who want to be "their own boss", and so they are going to start studying records as you must have done to stay with this report this far. As you start into this next year, it will pay you to ask yourself each day, "now how much will I pay myself for thinking today, and how much will I pay myself for just working"?

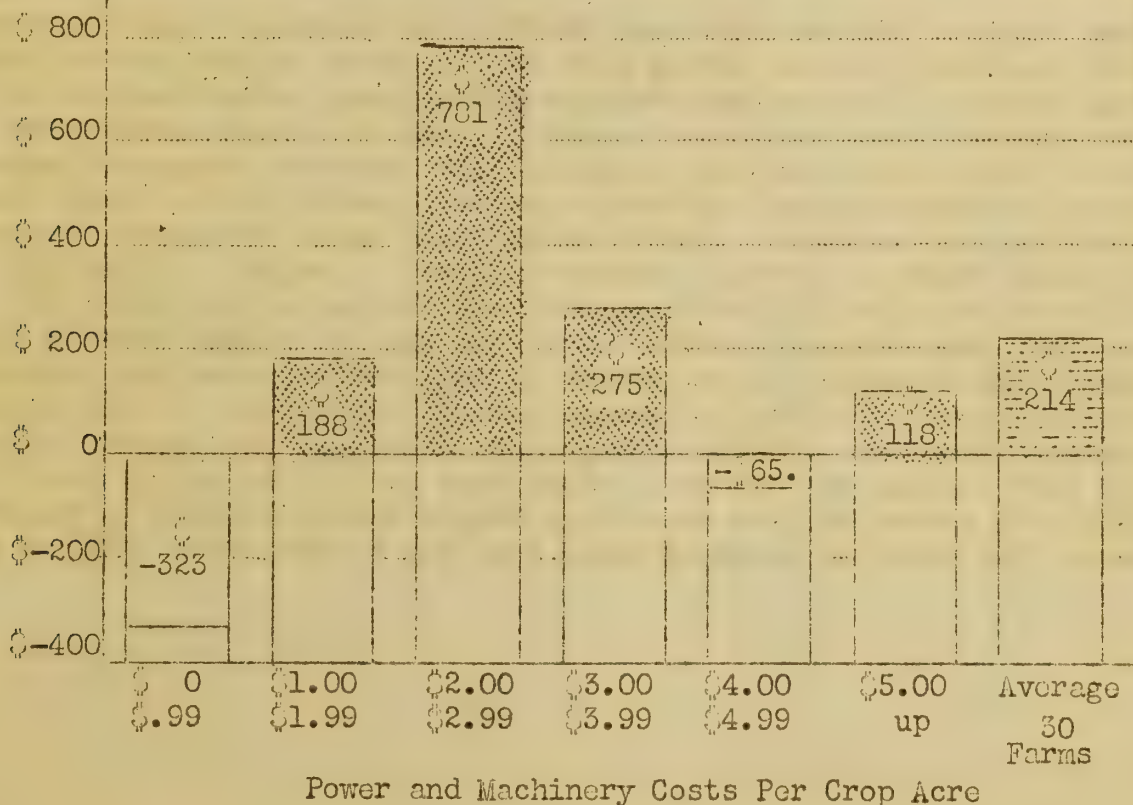
Crop Increase
Above P and M
Costs. \$1400

Chart IV. - Crop Increase above Power and Machinery
Costs(Pay for Labor and Interest on Capital)



Net
Income
From
Crops

Chart V. - Crop Income above all Power and Machinery
Cost and Estimated Labor Costs



ANALYZE FAMILY LIVING COSTS

Over half the people of the United States are engaged in some form or another of producing and processing agricultural products, and the great bulk of those products are food products. Food is the largest single item of family living expense, and any discussion of living costs soon gets involved in the problems of feeding the family. The average person consumes around 2000 pounds of food per year, and it is no small task to produce, prepare, serve, and clean up the remains of 10,000 pounds of food per year for an average family of about five people.

If food is purchased, it means that someone must be paid for each job from the time the product left some farmer's field until it is ready to be prepared for the table. This means that food which is purchased costs in dollars and cents about twice as much as the farmer received for it. Then, if a farm family can produce that food, process it themselves, and save that write-up of 100%, it means a big saving. 1945 was not too good a home food production year, yet the average farm family produced almost 61% of their food at home. Three families produced more than 75%. This good job of "eliminating the middle man" was one of the reasons why the average family was able to save 43% of its earnings. The high income group saved 56% of their earnings and the low income group only saved 21%.

The high income group spent about 50% more for food than the low income group, and over twice as much for clothing. They spent almost three times as much for personal care, but the low income group spent more for medical care. The high income group spent more than twice as much for school, church, recreation and entertainment as the low income group spent. And the high group spent seven times as much for capital goods for the home.

These figures indicate that most families are watching their expenses quite carefully and are trying hard to keep their expenditures within their income. The fact that the low income group either used up as farm products from the farm or spent as cash for family living more than 3/4th of their earnings indicates that they are trying to improve living standards and will probably increase incomes in the years ahead until they can continue a fairly substantial living standard. Few of us realize what it actually costs to support a family. We just buy what we need, raise what we can, and envy the man on the salary in town who earns \$150 per month. We do not stop to realize what it costs that family in town to live, and it is only when we stop long enough to look at some of the actual figures that we realize some of the advantages of farm life. If the average farm family in this report would have been working in town on a salary they would have had to have about \$1962 cash income to live as well as they actually did live on their farms. The high income group would have had to earn over \$250 per month.

TABLE XVIII - TOTAL LIVING COSTS ON 30 RURAL REHABILITATION FARMS IN JACKSON COUNTY, OKLAHOMA IN 1945

Item	Your Farm	Average 30 Farms	Average 10 High	Average 10 Low
Net Family Earnings	\$	\$ 1962	\$ 3069	\$ 1120
Cash Family Living:				
Food purchases	\$	\$ 264	\$ 305	\$ 190
Clothing purchases		101	144	60
Personal care		37	57	20
Medical care		48	45	63
Household operation		67	66	59
Minor housing		5	13	2
Minor furn. & equip.		11	14	15
Church, school, et cetera		74	96	45
Life & burial insurance		13	6	15
Other family living		7	6	7
Total Operating	\$	\$ 627	\$ 752	\$ 476
Capital goods for home		34	70	7
Total cash living costs	\$	\$ 661	\$ 822	\$ 483
Living from farm		484	609	408
Total living costs	\$	\$ 1145	\$ 1431	\$ 891
Total living per person	\$	\$ 327	\$ 398	\$ 297
Number per family		3.5	3.6	3.0

TABLE XIX - EARNINGS AND SAVINGS AND PROGRESS IN DEBT PAYMENT ON 30 RURAL REHABILITATION FARMS IN JACKSON COUNTY, OKLAHOMA IN 1945

Item	Your Farm	Average 30 Farms	Average 10 High	Average 10 Low
Increase in Net Worth	\$	\$ 851	\$ 1708	\$ 236
Living from farm		484	609	408
Cash living expenses		627	752	476
Net family earnings	\$	\$ 1962	\$ 3069	\$ 1120
Total saved		851	1708	236
Total used up		1111	1361	884
Per cent of earnings saved		43%	56%	21%
Per cent of earnings used up		57%	44%	79%
Debts at beginning of year	\$	\$ 1654	\$ 2092	\$ 1705
Borrowed during year		452	516	612
Total debts to account for	\$	\$ 2106	\$ 2608	\$ 2317
Debts owed at end of year		1579	1915	1890
Net debt reduction	\$	\$ 527	\$ 693	\$ 427
Per cent of net worth increase due to debt reduction.		62%	41%	181%

PRODUCTION OF FOOD FOR HOME USE

Table XX shows the actual physical quantities of food furnished by the farm in the form of livestock products for family use. The section showing "Pounds of Livestock Products Used" is the same amount of food as shown in the section just above but all quantities have been changed into pounds of food as it might be purchased from a store. If an average person consumes around 2000 pounds of food per year, this table would indicate that approximately half those products were livestock products.

The low income group does just about as good a job of producing food at home as the high income group on a percentage basis, but the high income group produced and consumed larger quantities of food. The high income group used 1161 pounds of livestock products and the low income group only used 743 pounds. This means that the low income group must have used more cereals and vegetables or else they were hungry, and that is doubtful. The figures indicate that with higher incomes families will spend more money for food, and with higher earnings, they will actually produce more food for home use from their farms.

Probably the greatest difference between the high and low income groups was due to the difference in the average consumption of milk. The high income group consumed over two times as many gallons of milk as the low income group. We do not have the figures on how many families have some form of home refrigeration, but it is our guess that the high consumption of milk and lower medical care bills had something to do with milk consumption, and milk consumption has something to do with refrigeration.

Pork consumption seems to run about the same per person on the high and low income farms. But everybody seems to be holding out on killing beef. The high income group consumed only about 57 pounds dressed weight of beef from their farms, and none of the low income farms butchered a calf. With modern methods of canning, freezer-lockers, et cetera, it looks like this was a serious gap in food production. Surely there must have been some calves that would have been worth twice as much dead and in a locker as they were alive and on the market. People have to have food, and good food, and there isn't any better place to get it than from our own farms. Honestly, now, Farm Security Administration has a better secured loan with a calf in the locker than on a mortgage, because a calf on a mortgage must be fed, and then it would get sold and the money would have to be spent for food.

Table XXI shows the prices which were used in calculating the value of food furnished by the farm for home use. By all using about the same price list for these items, differences in dollars worth of food represent differences in actual quantities. The value of the physical quantities of food shown in Table XX is shown in Table XXII. Livestock products account for approximately $\frac{3}{4}$ th of the total food furnished by the farm for family use on a dollar basis, and about $\frac{1}{2}$ on a pound basis.

TABLE XX - QUANTITIES OF LIVESTOCK AND LIVESTOCK PRODUCTS
FURNISHED BY FARM FOR FAMILY USE ON 30 RURAL
REHABILITATION FARMS IN JACKSON COUNTY, OKLAHOMA
IN 1945

Item	Your Farm	Average 30 Farms	Average 10 High	Average 10 Low
Net Family Earnings	\$	\$1962	\$3069	\$1120
Food from farm (Quantities)				
Milk (gals.)		328	488	195
Cream and butter (lbs.)		80	71	72
Eggs (doz.)		116	140	86
Poultry - liveweight (lbs.)		125	192	79
Hogs - liveweight (lbs.)		411	482	405
Beef - liveweight (lbs.)		53	113	0
Other livestock (lbs.)		0	0	0
Pounds of Livestock Product used				
Milk - (8.6 lbs. per gal.)		2821	4197	1677
Cream and butter (lbs.)		80	71	72
Eggs - 1 1/2 lbs. per doz.		174	210	129
Poultry - (75% of liveweight)		94	144	59
Hogs - (67% of liveweight)		275	323	271
Beef - (50% of liveweight)		27	57	0
Other livestock		0	0	0
Pounds of Livestock Products		3471	5002	2208
Value of Livestock Products		\$312	\$418	\$223
Value per pound		9.0¢	8.4¢	10.1¢
Average number per family		3.5	3.6	3.0
Pounds of Livestock Products used per person		992	1161	743

TABLE XXI - LIST OF PRICES USED IN CALCULATING VALUE OF
FARM PRODUCTS FURNISHED BY FARM FOR FAMILY
USE ON 30 RURAL REHABILITATION FARMS IN JACK-
SON COUNTY, OKLAHOMA IN 1945

Whole milk	Gal.	\$.45	Green Vegetables	Lb.	\$.05
Butter	Lb.	.48	Irish Potatoes	Bu.	1.85
Cream	Gal.	1.65	Sweet potatoes	Bu.	1.75
Eggs	Doz.	.32	Apples, Peaches	Bu.	2.25
Poultry (Live wt.)	Lb.	.23	Pears, Plums	Bu.	2.25
Hogs (Live wt.)	Lb.	.13	Grapes	Bu.	2.00
Beef (Live wt.)	Lb.	.12	Berries	Gal.	.90
Mutton (Live wt.)	Lb.	.13	Qts. food canned	Qt.	.30
Fish Game (Live wt.)	Lb.	.24			

STANDARDS FOR SPENDING AND SAVING

Two factors which have a great influence on family living costs are (1) income and (2) number in the family. That is the reason why the additional tables and different groups are shown in the tables which follow. In Table XXIII, page 39, families have been grouped according to their total living costs. Total living costs are made up of cash living expenses and living from the farm consisting of food, fuel, and a rent value equivalent for use of the house. This last item has been estimated at 10% of your best guess at what the house you live in was worth or insured for. It is similar to the same figure which was used in census taking.

Total living costs ranged from a low of \$495 to a high of \$1821 with an average of \$1145. There were eight families whose living costs ranged from \$495 to \$900. Twelve had living costs between \$900 and \$1200, 7 between \$1200 and \$1500, and 3 families had living costs above \$1500. The figures for your family have been tabulated in the column "your farm", and the group in which your farm was included in the "Family Living Cost" table has been checked so that you may know which group would probably be the most helpful to you in arriving at whether you have varied much from the average for your group.

The first section of the table shows cash costs only. The second section shows the non-cash items and they have been given this term because house rent and fuel were included, and it was rather difficult to think of them as "Farm Products". In the third section, cash and non-cash items have been added together. Food costs in this section include cash food purchases, and food furnished by the farm. Housing cost included cash housing costs which are very small and the rental value of the non-cash item of "house rent-equivalent". Household operation includes the cash costs for that item, and the non-cash item of fuel furnished by the farm.

In the fourth section, the total living costs have been changed to a percentage basis. These figures should help us to see whether we are out of line on the per cent of our living costs spent for various items. Some folk may eat too much, and some not enough. Some may be buying too many clothes, and others may be spending such a small per cent of their income for clothes that they hesitate to go to school and church. It is a difficult job to arrive at just what is a reasonable amount to spend in proportion to income and according to the number in the family and the ages of the boys and girls. Especially is this true if we cannot compare our costs with the average costs of other families who are living under about the same social and economic conditions. Let's look at this table as the beginning of our study of what is a fair proportion of our earnings or expenditures to spend for food, clothes, medical care, and all the other things that make living worth while.

TABLE XXII - VALUE OF LIVING FROM FARM ON 30 RURAL
REHABILITATION FARMS IN JACKSON COUNTY,
OKLAHOMA IN 1945

Item	Your Farm	Average 30 Farms	Average 10 High	Average 10 Low
NET FAMILY EARNINGS	\$	\$1962	\$3069	\$1120
Livestock Products				
Milk	\$	\$ 147	\$ 219	\$ 87
Butter and cream		39	34	36
Eggs		37	45	28
Poultry		29	44	20
Hogs		54	63	52
Beef		6	13	0
Other livestock		0	0	0
TOTAL LIVESTOCK PRODUCTS	\$	\$ 312	\$ 418	\$ 223
Vegetables from farm		77	81	90
Fruit from farm		18	24	22
TOTAL FOOD FROM FARM	\$	\$ 407	\$ 523	\$ 335
Fuel from farm		1	0	3
House rent equivalent (10%)		76	86	70
TOTAL LIVING FROM FARM	\$	\$ 484	\$ 609	\$ 408
Cash food purchases	\$	\$ 264	\$ 305	\$ 190
TOTAL FOOD COSTS	\$	\$ 671	\$ 828	\$ 525
NUMBER PER FAMILY		3.5	3.6	3.0
FOOD COST PER PERSON	\$	\$ 192	\$ 230	\$ 175
PER CENT OF FOOD FROM FARM		60.7%	63.2%	63.7%

TABLE XXIII - CASH, NON-CASH, TOTAL AND PERCENTAGE OF
TOTAL LIVING COSTS ON 30 RURAL REHABILITA-
TION FARMS IN JACKSON COUNTY, OKLAHOMA IN
1945 GROUPED ACCORDING TO TOTAL LIVING COSTS

Item	Your Family	Range in Living Costs			
		\$495-\$900	\$ 901- 1200	\$1201- 1500	\$1501- 1821
Number of families		8	12	7	3
Cash living expense:					
Food	\$	\$ 190	\$ 266	\$ 327	\$301
Clothing		74	86	142	141
Personal		22	45	34	57
Medical		16	60	58	64
Household opr.		41	71	82	82
Minor housing		2	5	8	10
Minor furn. & Eq.		8	12	12	14
Church, school, etc.		44	57	124	101
Life & burial ins.		3	25	5	5
Other family exp.		6	9	11	1
Total cash running	\$	\$ 406	\$ 636	\$ 803	\$ 776
Non-cash living:					
Milk		73	131	177	342
Butter and cream		27	39	49	47
Eggs		23	29	48	80
Poultry		18	23	45	41
Hogs		51	47	39	117
Beef		1	0	0	40
Other L.S.		0	0	0	0
Total L.S. for food	\$	\$ 193	\$ 269	\$ 367	\$ 667
Vegetables from farm		76	68	77	113
Fruit from farm		12	11	16	70
Total food from farm	\$	\$ 281	\$ 348	\$ 460	\$ 850
Fuel from farm		0	3	0	0
House rent equiv. (10% Ins. Val.)		85	56	94	90
Total living from farm	\$	\$ 366	\$ 407	\$ 554	\$ 940
Total living costs	\$	\$ 772	\$ 1043	\$ 1357	\$ 1716
Total food cost	\$	\$ 471	\$ 614	\$ 787	\$ 1151
Total clothing cost		74	86	142	141
Total personal cost		22	45	34	57
Total medical cost		16	60	58	64
Total Household Opr.		41	74	82	82
Total housing cost		87	61	102	100
Total Furn. & Eq.		8	12	12	14
Total church, school, etc.		44	57	124	101
Total life & burial ins.		3	25	5	5
Other family expenses		6	9	11	1
Per cent of total cost spent for:		Pct.	Pct.	Pct.	Pct.
Food		61.0	58.9	58.0	67.1
Clothing		9.6	8.2	10.5	8.2
Personal		2.9	4.3	2.5	3.3
Medical		2.1	5.8	4.3	3.7

TABLE XXIII - CASH, NON-CASH, TOTAL AND PERCENTAGE OF
TOTAL LIVING COSTS ON 30 RURAL REHABILITA-
TION FARMS IN JACKSON COUNTY, OKLAHOMA IN
1945 GROUPED ACCORDING TO TOTAL LIVING COSTS
(continued)

Item	Your Farm	Pct.	Pct.	Pct.	Pct.
Per cent of total cost spent for:					
Household opr.		5.3	7.1	6.0	4.8
Housing		11.3	5.8	7.5	5.8
Furniture and Eq.		1.0	1.1	.9	.8
Church, school, etc.		5.7	5.5	9.1	5.9
Life and burial insurance		.4	2.4	.4	.3
Other family expense		.7	.9	.8	.1
Age of Operator					
21-30		2	3	2	0
31-40		2	3	2	2
41-50		3	2	2	1
51-60		1	3	1	0
60 or more		0	1	0	0
Increase in net worth	\$	\$ 693	\$ 679	\$ 1036	\$ 1518
Net family earnings	\$	\$ 1465	\$ 1722	\$ 2393	\$ 3234
Number per family		3.0	2.8	4.3	5.3

THE NUMBER IN FAMILY AFFECTS LIVING COSTS

Many a good farm operator who in his lifetime reared and educated a family of five or six children might have been a wealthy man if all the money he spent on the children could have been put in the bank instead, but the man with the million dollars worth of boys and girls wouldn't trade places with the man with the million dollars. We didn't bring any money into the world with us, and we won't take any with us when we leave. The folks who wrote our income tax laws realized something of the importance of children in this world, and those folks who don't have any children are paying much higher taxes.

Table XXIV should prove very interesting to you in making comparisons because you will find grouped in this table all the families who have the same number of persons in their family as you have. The burden of educating and training children to take their places in the world falls much more heavily on the farmer group of people than upon any other class. Cities do not produce enough children to maintain their population so farm boys and girls are continually going to town to make their economic contribution to city welfare. If they are going to spend the best years of their earning life on city jobs, why should not more of the cost of education for those city jobs be charged up to our cities.

This table should help you get a picture of just how big a contribution you are going to make to the welfare of the nation in educating and training your children for city jobs. And then when the subject comes up of more help for our

country schools and roads, et cetera, you will be in position to furnish firsthand information on what it costs to send a boy or girl to the city to take his or her place in this world.

AND NOW WE COME TO THE END

This report has been much longer than previous reports. It has been much more detailed, and was undoubtedly more difficult to follow. The high profits of the past three or four years in Agriculture will probably be narrowed in the years ahead as the boys and girls, and even families, who left the farm to make their contribution to the War effort are returning to take up where they left off. At the beginning of the War we had approximately 20% of our population on the farms of this nation. At the present time this has been reduced to about 15%, and at the same time the total production of agriculture has been increased by about a third over what it was when the War started. Farming is one of the few industries that is still open to free competition and all those who may not be able to find profitable employment in industry will try to find some place where they can furnish themselves with some form of livelihood. The most likely place for them will be on a farm where they can produce their own food and have access to a house where they can make a home. Yes, the trend has already started, the competition will get keener, and margins of profit in agriculture may be lower. There is thinking to be done, and it is not a job we can delegate to our President, or the Secretary of Agriculture, or anyone else. We live in a democracy and that means that everyone assumes his full share of the responsibility. We cannot "pass the buck." We've got to do our own thinking and assume the responsibility for the results of that thinking. Our national policies depend upon what you and I think and we don't want anyone else doing our thinking. In addition to studying and planning for a sound policy for our entire nation, including agriculture, we must also do our best with the problems we find inside our own farm fences. This will mean more careful attention to the details of farming. It will mean closer culling of cows, more careful attention to the selection of crops for food, feed and cash, and a rigid control over expenditures. All this can be studied only through the use of accurate and complete records. You keep the records, and we will do our best to keep you informed of the results.

TABLE XXIV - FAMILY LIVING COSTS AND EARNINGS ACCORD-
ING TO NUMBER OF PERSONS IN FAMILY ON 30
RURAL REHABILITATION FARMS IN JACKSON COUNTY,
OKLAHOMA IN 1945

Item	Your Family	Number in Family				
		2	3	4	5	6 or 7
Number of families		8	11	4	4	3
Cash living expenses						
Food	\$	\$246	\$243	\$271	\$272	\$366
Clothing		81	96	126	161	65
Personal		40	31	28	48	53
Medical		45	30	116	44	42
Household opr.		88	58	40	70	70
Minor housing		3	7	8	2	8
Minor furn. & equip.		10	16	4	15	1
Church, school, etc.		77	54	86	104	81
Life & burial ins.		21	11	14	5	6
Other family expense		3	11	5	8	9
Total running expenses	\$	\$612	\$557	\$698	\$729	\$701
Home capital goods		32	40	52	20	17
Total cash living	\$	\$644	\$597	\$750	\$749	\$718
Living from farm:						
Milk		\$134	\$105	\$132	\$188	\$304
Butter and cream		39	33	37	41	58
Eggs		24	31	38	47	79
Poultry		22	27	42	22	44
Hogs		52	43	42	76	80
Beef		2	1	0	30	17
Other L.S.		0	0	0	0	0
Total L.S. for home use	\$	\$273	\$240	\$291	\$404	\$582
Vegetables from farm		63	69	88	111	79
Fruit from farm		6	21	0	67	0
Total food from farm	\$	\$342	\$330	\$379	\$582	\$661
Fuel from farm		1	2	0	0	0
House rent eq. (10%)		80	73	58	99	73
Total living from farm	\$	\$423	\$405	\$437	\$681	\$734
Increase in net worth	\$	\$952	\$720	\$931	\$782	\$1045
Net family earnings	\$	\$1987	\$1682	\$2066	\$2192	\$2480

THAT OTHER WAY OF CALCULATING NET FAMILY EARNINGS

Table XV, page 45, has been prepared for the purpose of helping you get a more complete picture of just what is meant by "net family earnings". You know if you produce the feed and raise four or five good heifers and have them on hand at the end of the year that you have earned something because you could have sold the heifers during the year and called the sale "earnings". It isn't necessary to sell them to count up the earnings. All we have to do is to show the heifers as increase in inventory.

If you didn't have very much food on hand at the beginning of the year and you spent money for garden seed and you canned up a cellar full of food and a smoke-house full of meat, you earned that much during the year too. This item shows up in increase in home inventory. Of course, if you ate the food you had on hand at the beginning of the year and didn't replace it, this would show up as a decrease in home inventory because in that case you actually used up something from a previous year's earnings.

If you took in income during the year and paid it on debts, the decrease in debts would show up as earnings. And if you produced farm products and used them in your home for family living, this amounts to earnings just as much as if you had produced them and sold them for cash.

Some things are always income, and some things are always expenses. Things like inventories may be either increases or decreases that is income or expenses. For that reason, the method used to calculate net family earnings here calls the income side "Gross Cash Income and Net Increases" and the expense side "Gross Cash Expenses and Net Decreases". The difference between the two amounts to the net family earnings for the year, that is, the amount that the family could use for family living and savings. It is the net after what might be called "business" expenses have been met.

Item 5, "Unaccounted for Income" and Item 5, "Unaccounted for Expense" are evidently just what the name implies because if a family can account for more money than they took in, then they must have taken in more money than they have listed, and if they took in more money than they can account for in expenses, then they must have had more expenses than they have listed. (See Table VII, page 18). These two items must be included to have a complete picture of the cash income and expenses. In a record book where all cash was accounted for, there would be no entry in either of these places. The problem of decrease in debts and amount borrowed and paid back can not very well be handled other than to show it exactly as it appears in the table. For instance, the average family showed a decrease in debts of \$75. yet they paid in on debts \$137. more than they borrowed. This difference of \$62. would appear to be a mistake but it actually represents "interest paid" and the average family when they paid their annual installment to FSA or other creditors, simply made the entry as paid on debts. This helps them to compare farm operation costs and the family who can keep costs down and borrow money is not placed in a disadvantageous position as compared with the family which owes very little or nothing. In other words, it cost the average family \$137. cash to get a decrease on their debts of \$75. in their net worth statement.

Those items which make up the change in net worth have an (*) in front of them. The last three items are the ones added together to get net family earnings the shorter way.

TABLE XV - LABOR, POWER, AND MACHINERY COSTS ON 30
RURAL REHABILITATION FARMS IN JACKSON COUNTY,
OKLAHOMA IN 1945.

Gross Cash Income and Net Increases	Your Farm	Average 30 Farms	Average 10 High	Average 10 Low
*1. Farm Inventory Increase	\$	\$ 437	\$1015	\$ 94
*2. Home Inventory Increase		120	151	117
*3. Other Assets Increase		0	0	0
*4. Cash Income		2338	3165	1849
*5. Unaccounted for Income		42	226	0
*6. Decrease in debt		75	177	0
*7. Net Amount Borrowed		0	0	114
8. Farm Products for Home Use.		484	609	408
TOTAL INCOME & NET INCREASES	\$	\$3496	\$5343	\$2582
Gross Cash Expenses and Net Increases				
*1. Farm Inventory Decrease	\$	\$ 0	\$ 0	\$ 0
*2. Home Inventory Decrease		0	0	0
*3. Other Assets Decrease		18	32	20
*4. Cash Farm Operating		946	1213	839
*5. Unaccounted for Expense		0	0	111
*6. Increase in Debts		0	0	185
*7. Net Paid on Debts		137	233	0
*8. Capital Goods Bought		433	796	307
TOTAL EXPENSE & NET DECREASES	\$	\$1534	\$2274	\$1462
NET FAMILY INCOME	\$	\$1962	\$3069	\$1120
INCREASE IN NET WORTH	\$	\$ 851	\$1708	\$ 236
CASH FAMILY LIVING EXPENSE	\$	\$ 627	\$ 752	\$ 476
FARM PRODUCTS FOR HOME USE	\$	\$ 484	\$ 609	\$ 408

TABLE IV - LABOR, POWER, AND MAINTENANCE COSTS ON 30
FARM HOMES, WITH RENTS IN JACKSON COUNTY,
OKLAHOMA IN 1935.

Gross Cash Income and Net Increases		Year	Average 30 Farms	Average 10 Homes	Average 10 Farms
1. Farm Inventory Increase	\$	1935	\$ 437	\$ 321	\$ 54
2. Home Inventory Increase			130	131	117
3. Other Assets Increase			0	0	0
4. Cash Income			2303	2168	1948
5. Unaccounted for Income			42	42	0
6. Decrease in Debt			75	117	0
7. Net Amount Forward			0	0	114
8. Farm Proceeds for Home Use			404	608	408
TOTAL INCOME & NET INCREASES		\$	5116	4885	2224
Gross Cash Expenses and Net Increases		Year	Average 30 Farms	Average 10 Homes	Average 10 Farms
1. Farm Inventory Decrease	\$	1935	\$ 0	\$ 0	\$ 0
2. Home Inventory Decrease			0	0	0
3. Other Assets Decrease			18	32	23
4. Cash Farm Operating Expenses			348	1213	839
5. Unaccounted for Expense			0	0	11
6. Increase in Debt			0	0	135
7. Net Paid on Debt			187	232	0
8. Operating Goods Bought			688	710	707
TOTAL EXPENSE & NET DECREASES		\$	1133	1277	1142
NET FAMILY INCOME		\$	3983	3608	1082
INCREASE IN NET WORTH		\$	1 881	1308	2 216
CASH FAMILY LIVING EXPENSE		\$	0 232	0 932	0 476
FARM PROCEEDS FOR HOME USE		\$	1 404	1 608	1 408